

Resolution No.: 16-1271
Introduced: February 2, 2010
Adopted: February 23, 2010

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Management and Fiscal Policy Committee meeting as the Audit Committee

SUBJECT: Special Appropriation to the FY10 Operating Budget
Montgomery County Government
Independent Audit Non-Departmental Account, \$18,000

Background

1. Section 308 of the Montgomery County Charter provides that a Special Appropriation: (a) may be made at any time after public notice by news release; (b) must state that the special appropriation is necessary to meet an unforeseen disaster or other emergency or to act without delay in the public interest; (c) must specify the revenues necessary to finance it; and (d) must be approved by no fewer than six members of the Council.
2. The Management and Fiscal Policy Committee meeting as the Audit Committee requests a Special Appropriation to provide additional contractual auditing services in the Independent Audit Non-Departmental Account (NDA).

<u>Department</u>	<u>Personnel Costs</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
Independent Audit Non-Departmental Account	--	\$18,000	--	\$18,000	General Fund Reserves

3. Montgomery County Code § 33-146B authorizes the County Government to establish and maintain a deferred compensation plan for employees covered by a collective bargaining agreement. Under the law, the union certified representative assumes the duties of the Board of Investment Trustees, the Chief Administrative Officer, and the County with respect to any collectively bargained plan.
4. The County established a deferred compensation plan for County Government employees who are bargaining unit members – the Montgomery County Union Employees Deferred Compensation Plan (MCUEDCP). The MCUEDCP is administered by a six member Board of Trustees made up of two representatives each from the Fraternal Order of Police, Montgomery County Lodge 35; Municipal and County Government Employees Organization, UFCW Local 1991; and the International Association of Firefighters Local 1664.

5. On December 1, 2009, the Montgomery County Council enacted Bill 40-09, adding Montgomery County Code § 33-146C and requiring a certified public accounting firm under contract with the Council to complete an annual independent audit of each collectively bargained plan established and maintained by the County.
6. The Council currently has a contract with Clifton Gunderson LLP ("Auditor"), an independent certified public accounting firm, to undertake the annual audit of the County Government's financial statements and the financial statements of the County Government employee retirement plans. In order to comply with Montgomery County Code § 33-146C, the Management and Fiscal Policy Committee meeting as the Audit Committee recommends that the Council amend its contract with Clifton Gunderson to add the audit of the financial statements of the Montgomery County Union Employees Deferred Compensation Plan as additional work.
7. The Auditor has agreed to perform this additional work for a fee of \$18,000.
8. On January 26, 2010, the Management and Fiscal Policy Committee meeting as the Audit Committee reviewed the proposed scope of audit work and recommends a special appropriation to the Independent Audit NDA in the amount of \$18,000 to provide these additional contractual auditing services. The source of the funds will be General Fund reserves.
9. The public was notified by a news release.

Action

The County Council for Montgomery County, Maryland, approves the following action:

1. The FY10 Operating Budget of the Montgomery County Government is amended, and a special appropriation is approved as follows:

<u>Department</u>	<u>Personnel Costs</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
Independent Audit Non-Departmental Account	--	\$18,000	--	\$18,000	General Fund Reserves

2. The County Council declares that this action is necessary to act without delay in the public interest.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council